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Sup. Ct.

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1946.

No. 700

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

Petitioners.

vs.

GEORGE I. GOODWIN and JOHN F. DAUKUS,

Respondents.

**PETITION FOR WRIT OF CERTIORARI AND
BRIEF IN SUPPORT THEREOF.**

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

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OPINION OF THE COURT BELOW.

The opinion of the Court of Appeals is officially reported in Goodwin v. Borg-Warner Corp., 157 F(2d) 267.

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No.

BORG-WARNER CORPORATION and
DAVID E. GAMBLE,

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GEORGE I. GOODWIN and JOHN F. DAUKUS,

Respondents.

**PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE SIXTH CIRCUIT.**

*To the Honorable Frederick M. Vinson, Chief Justice of
the United States, and the Associate Justices of the
Supreme Court of the United States:*

Your Petitioners respectfully show:

I.

Summary Statement of Matter Involved

Petitioners (appellees, plaintiffs below) seek a review of a judgment of the United States Circuit Court of Appeals for the Sixth Circuit entered July 1, 1946 (R. 439). A petition for rehearing was denied September 23, 1946 (R. 485). A second petition for rehearing was denied

October 21, 1946 (R. 495). That judgment reversed a judgment of the District Court of the United States for the Eastern District of Michigan, Southern Division, entered June 20, 1945 (R. 40) adjudging all claims of Dankus patent No. 2,324,913 for a clutch plate invalid for want of invention, and, though the District Court made no finding or adjudication as to infringement, remanded the case for an accounting and for further proceedings in accordance with the opinion of the Court of Appeals.¹

The opinion of the Court of Appeals (R. 440) includes a determination that the asserted claims² of the patent in suit are infringed by the manufacture and sale of the "Borglite" plate, which is extensively manufactured and sold by petitioner Borg-Warner Corporation under that trade name and was developed by its engineers, independently and without knowledge of any activity of the patentee.³

The patent, which issued on an application filed seven years after what petitioners contend was a public use of the claimed invention by the patentee, and had no commercial history, relates to the "clutch plate" of a friction clutch structure intended primarily for use in the driving gear or power train of an automobile.⁴ It was issued following an award of priority of invention to the patentee by the Board of Interference Examiners in an interference proceeding involving an earlier filed application of petitioner Gamble, which was intended to cover the Borglite plate.⁵

In its decision the Board defined the single characteristic wherein the claimed invention differed from the prior

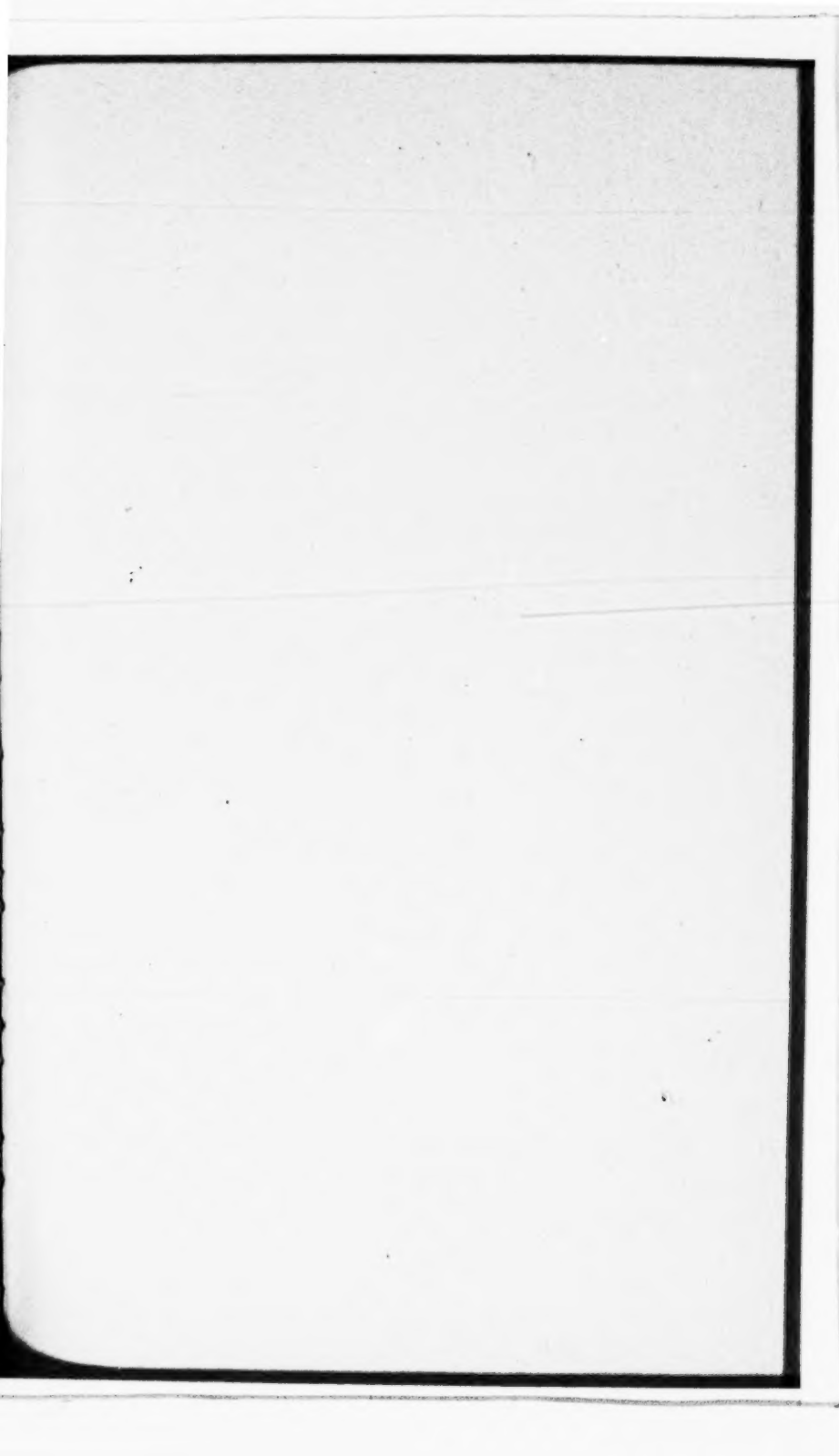
¹ The history of the litigation is stated *infra* p. 12.

² Claims 4, 6, 13, 14, 15, 17, 19, 20, and 23 were asserted.

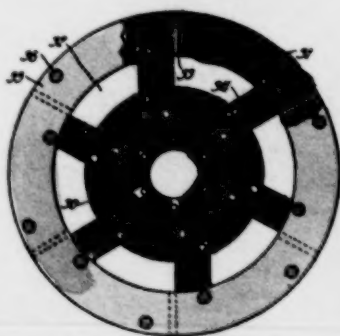
³ Gamble Interference Record, Plaintiffs' Exhibit AAA2, p. 14, Q. 10; p. 51, XQQ. 199, 200; p. 100, Q. 9.

⁴ For function and character of the clutch see *infra* p. 14.

⁵ The subject matter in controversy is described in the decision of the Board (R. 13), quoted *infra* p. 13.



COMPARISON OF DRAWINGS OF DAUKUS PRIOR ART PATENT AND PATENT IN SUIT



Daukus Patent
No. 1,777,399
Fig. 4 (R. 208)



Daukus Patent
No. 2,324,913
Fig. 1 (R. 408)

Corresponding parts are colored alike, though numbered differently. Friction facings (yellow) are partially broken away to show peripheral portions of cushion members (blue). The structural arrangements differ only in the number of rivets and holes provided therefore, a slightly different angular arrangement of cushion members (blue) respectively designated 34 and 17, an increased number of them in the case of the patent in suit, and the omission from the drawing of the earlier patent of the hub and associated parts including flange (brown) and rivets (green), shown in the drawings of the patent in suit and essential to and contemplated in the structure of the earlier patent.

art considered by it, and particularly a prior patent to the patentee Daukus,¹ as being the feature that the cushion elements are of less thickness or weight per unit area than the intermediate member (R. 15). The general similarity of the structures of the two Daukus patents and the correctness of the Board's definition of the characteristic distinguishing the later one from the earlier one are reflected in the corresponding patent drawings.²

Restricted by the technical procedure of the Patent Office to a determination of the question of *priority* of invention, the Board declined to consider evidence of prior public use in defining the patentable character of the interference issue (R. 17, 8th line from bottom). See *Stern v. Schroeder* (CCPA) 36 F(2) 518, 521.

There is no basis in the reduction to practice upon which priority of invention was awarded Daukus for much of the descriptive matter contained in the patent in suit (see particularly p. 2, lines 36 *et seq.*, R. 410), which, circumstances indicate, must have been suggested by the intervening Borglite plate that had gone into commercial production before Daukus filed his long-delayed application.³ The Borglite plate differs materially from the only Daukus structures ever made (three in number, including Daukus Exhibits 2 and 5 and an anomalous Cadillac installation similar to Exhibit 2) and particularly in that the cushion members are made of clock spring steel about one third as thick as Daukus's cushion members and hav-

¹ Patent No. 1,777,399 (R. 409).

² See colored reproduction of the drawings on chart opposite.

³ Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 41-49, XQQ. 295-358; pp. 64, 65, XQQ. 465-473; Gamble Interference Record, Plaintiffs' Exhibit AAA2, pp. 18-20, QQ. 33-40; p. 32, Q. 105; pp. 100-109, QQ. 9-42; pp. 34, 35, QQ. 114-121; pp. 73-75, QQ. 82-89.

ing extraordinary resilience and strength, the use of which gives the plate a correspondingly reduced polar moment of inertia or spinning momentum and marks a radical departure from previous practice. It is to this feature that the outstanding commercial success of the Borglite plate is due.¹

Production of the Borglite plate constitutes the greater part of the production of Borg-Warner's clutch manufacturing division, Borg and Beck Company, which has its plant in Chicago, and, as the Court of Appeals recognized, is known as the largest manufacturer of clutch plates in the world. Sales of the Borglite plate currently amount to several million dollars annually and are made directly to the larger manufacturers of automobiles whose plants mainly are located in the Sixth Circuit, some of whom themselves make limited quantities of the plate; or through regional agencies of Borg-Warner for replacement use in the products of such manufacturers.²

The case was submitted to the District Court on the Patent Office records, and depositions taken following the decision of the Board of Interference Examiners, including numerous exhibits, among them various prior art patents.³ Testimony regarding public uses under patents to Ahlne, and Reed which was not before the Patent Office, clearly showed extensive public use and sale prior to 1930 of clutch plates having cushion members of less thickness

¹ Gamble Interference Record, Plaintiffs' Exhibit AAA2, p. 29, Q. 91; pp. 51, 52, XQQ 201-203; p. 58, RXQQ 230, 232; p. 91, RDQ. 169; p. 137, Q. 196; p. 181, RDQ. 366; p. 187, RDQ. 380; R. 147, RDQ. 12.

² R. 89, Q. 246; R. 113, XQ. 32; Plaintiffs' Exhibit AAA2, p. 16, QQ. 16-18; p. 41, XQ. 147.

³ These included Daukus Patent No. 1,777,399, Ahlne Patent No. 1,727,153, Reed Patent No. 1,889,698, Gamble Patent No. 1,652,006, and Kraker Patent No. 283,493.

than the intermediate members.¹ These do not differ materially from Daukus Exhibit 5, which, Daukus testified in effect, embodies the claimed invention and differs from his Exhibit 2 upon which priority of invention was awarded to him only in the admittedly unimportant respect that the cushion members are integral parts of a unitary structure.² In each of these structures the cushion members are segmented so as to function individually, the only difference being that in the one case they are riveted to an intermediate plate, while in the other they are integral parts of a plate which is riveted to or otherwise supported by an intermediate plate.

The District Court, in its findings of fact, quoted the language of the Board of Interference Examiners definitive of the alleged invention and found "beyond a reasonable doubt that it had been a common practice more than two years prior to the alleged invention to make the cushion elements of steel and thinner than the intermediate member," that the invention was not made by Daukus, and that no patentable invention was disclosed by either Gamble or Daukus (R. 37). No finding was made as to the issue of infringement and numerous other issues, including laches, and prior public use of the claimed invention (R. 24-28).

The District Court, in addition to adjudging all claims of the patent in suit to be invalid, dismissed both the original bill under Sec. 4915 R. S., and the counterclaim, and enjoined respondents from prosecuting or threatening to prosecute any action charging infringement of that patent by Borg-Warner. Petitioners did not appeal from that

¹ See III and IV in chart at end of brief. It should be borne in mind in considering them that the spring dampers which include the coil springs indicated at 12 are additional prior art features contemplated in the patent in suit and do not affect the determination of the issues.

² Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 24, 25, QQ. 156, 157, 161, 162; p. 80, RXQ. 605.

judgment, but respondents did appeal from that part of it which dismissed their counterclaim (R. 41, 44).

While petitioners vigorously contended in the Patent Office for an award to Gamble of priority of invention as to the counts of the interference issue, and in the District Court for claims limited to the critical material to which the success of the Borglite plate is attributed, they did not persist after the judgment of the District Court was entered.

The opinion of the Court of Appeals sets aside the finding mentioned, sustains the asserted claims as covering a new structural combination and not invalidated by prior public use of the patentee, and holds that they are infringed as previously stated.

The judgment of the Court of Appeals presents the following questions which, petitioners submit, should be answered in the affirmative.

Questions Involved

1. Did the Court of Appeals, in setting aside the finding of facts by the District Court, violate the provisions of Rule 52 (a) F. R. C. P. that "findings of fact shall not be set aside unless clearly erroneous", and thereby depart from the accepted and usual course of judicial proceedings to an extent calling for the exercise of this Court's power of supervision?

2. Did the Court of Appeals while purporting to apply the principle enunciated in *Elizabeth v. Pavement Co.*, 97 U. S. 126, 135, and *Smith & Griggs Co. v. Sprague*, 123 U. S. 249, 255, depart from the principle of *Egbert v. Lippman*, 104 U. S. 333, 336, in determining *de novo* that the patent in suit is not invalidated by any public use on the part of the patentee prior to the two year period before his

application, and exceed its jurisdiction in so doing in the absence of any finding of fact thereon by the District Court?

3. Did the Court of Appeals, in sustaining claims of the patent in suit as embracing a new structural combination, depart from the principle of *Lincoln Engineering Co. v. Stewart Warner Corp.*, 303 U. S. 545, 549, that an improvement of but one element of an old combination does not revive the combination, but at most entitles the improver to a patent on the improved element?

4. Whether the Court of Appeals in giving effect to claims of the patent in suit as embracing the Borglite plate departed from the principle of *Atlantic Works v. Brady*, 107 U. S. 192, L. Ed. 438, 441, and *Railway Company v. Sayles*, 97 U. S. 554, 563, that claims for an invention shall not be wrongfully expanded to enable a patentee to capture the independent developments of others, and from the principle of *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 476, that the loser in an interference contest is not estopped to dispute the validity of the patent?

5. Did the Court of Appeals exceed its jurisdiction in determining the issue of infringement adversely to petitioners and remanding the case for an accounting, thereby circumventing findings of fact and an adjudication of the issue by the District Court and the operation of Rule 52 F. R. C. P. thereon, and thus depart from the accepted and usual course of judicial proceedings to an extent calling for the exercise of this Court's power of supervision?

Reasons for Granting the Writ.

1. The far-reaching effect of the judgment of the Court of Appeals upon manufacturers of automobiles and the public in view of the concentration of the automobile indus-

try largely in the Sixth Circuit, the doubtful validity of the patent in suit, and the improbability that any litigation will occur in another circuit whereby a conflict of decisions of different Courts of Appeal may arise call for the issuance of the writ according to the precedent established by the Court in *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47, 50; cer. gr. 304 U. S. 587. It is well known, as this Court recognized in that case, that the automobile industry is largely concentrated in the Sixth Circuit, and by virtue of the judgment of which review is sought respondents have established the validity of the patent in suit against substantially more than ninety per cent of the automotive industry, unless by the granting of the writ here sought, this Court shall rule otherwise.¹

Indeed, as to the few manufacturers beyond the Sixth Circuit, as a practical matter they may, in effect, be subjected to the jurisdiction of the Sixth Circuit Court of Appeals through the expedient of suing dealers or others. Moreover, the owner of the patent resides in the Sixth Circuit, thus necessitating the bringing of any action for a declaratory judgment in that circuit.

If the judgment of the Court of Appeals be permitted to become final, respondents will have it within their power either to stop or to levy a heavy tribute upon the production of the Borglite plate, notwithstanding its development independently of anything that Daukus did, to the hindrance and detriment not only of petitioners, but of the automotive industry and the motoring public. There would be no occasion for their instituting further litigation involving the validity of the Daukus patent outside the Sixth Circuit, and little likelihood that any ground for the exercise of the jurisdiction of this Court to enable it to determine the validity of that patent would arise.

¹ Supporting statistics and authorities are cited *infra*, p. 35.

2. The evidence of record including the patents mentioned, and testimony regarding public use under the Ahlene and Reed patents, amply supports the finding of fact set aside by the Court of Appeals. That court has, therefore, acted contrary to the provision of Rule 52(a) F.R.C.P. inhibiting the setting aside of findings of fact of a district court unless clearly erroneous, and exceeded its jurisdiction as defined in Sec. 128 of the Judicial Code, U.S.C. Tit. 28, Sec. 225, as that statute and that rule have been applied in numerous decisions of this Court and by the circuit courts of appeal generally, and thus departed from the usual and accepted course of judicial proceedings to an extent requiring clarification as to the scope and application of the rule in patent cases and an exercise of this Court's power of supervision under subdivision 5(a) of Rule 38 of the rules of this Court. Likewise, in adjudicating the issue of infringement and the issue of prior public use by the patentee of the alleged invention of the patent in suit without an adjudication or finding by the District Court as to those issues.

3. The opinion of the Court of Appeals indicates a serious misconception of the issues and the evidence and a departure from applicable principles of the law as established in the decisions of this Court which have been cited, and its judgment, if allowed to stand, will not only operate as a denial of substantial justice to petitioners and effect an unjust enrichment of respondents but tend to promote confusion among the courts charged with the application of the laws pertaining to patents.

4. If there were proper ground for reversal on the issue as to validity of the patent in suit, at most the Court of Appeals should have remanded the case for trial by the District Court of the issues as to which it had failed to

make a finding. The Court has indicated that it will take jurisdiction to make a corrective order appropriate in such circumstances. *Electrical Fittings v. Thomas & Betts*, 307 U. S. 241, 242.

Wherefore, Petitioners pray that a Writ of Certiorari issue under the seal of this Court directed to the United States Circuit Court of Appeals for the Sixth Circuit, sitting at Cincinnati, Ohio, commanding said Court to certify and send to this Court on a day to be designated, a full and complete transcript of the record, and all proceedings of the said Circuit Court of Appeals had in the case numbered and entitled on its docket No. 10,119, George I. Goodwin and John F. Daukus, Appellants, *v.* Borg-Warner Corporation and David E. Gamble, Appellees, to the end that this cause may be reviewed and determined by this Court; that the judgment therein of the said Circuit Court of Appeals be reversed by this Court; and that the cause be remanded to that Court with directions to affirm the judgment of the District Court, and such other and further relief as this Court may deem proper.

MAX W. ZABEL,
EDWARD C. GRITZBAUGH,
BENTON BAKER,
Counsel for Petitioners.

BRIEF IN SUPPORT OF PETITION

Jurisdiction

Petitioners would invoke the jurisdiction of this Court under Section 240(a) of the Judicial Code as amended by the Act of February 13, 1925, U.S.C. Tit. 28, Sec. 347, to review a judgment of the United States Circuit Court of Appeals for the Sixth Circuit dated July 1, 1946 (R. 439), in a suit instituted under Sec. 4915 R.S., U.S.C. Tit. 35, Sec. 63, wherein a supplemental bill of complaint was filed under the Declaratory Judgment Act, U.S.C. Tit. 28, Sec. 400; Judicial Code, Sec. 274(d), alleging jurisdiction under the Act of March 3, 1911, c. 231, Sec. 24, par. 7, Stat. 1902, U.S.C. Tit. 28, Sec. 41(7), and a counterclaim was filed charging infringement of United States Letters Patent. Petition for rehearing was denied September 23, 1946 (R. 485); a second petition for rehearing was denied October 21, 1946 (R. 495). This petition is presented within three months from and after the denial of petition for rehearing.

STATEMENT.

Elaboration of the general statement contained in the petition in certain respects seems desirable.¹ The bill of complaint filed by petitioners presented among other matters the usual question of priority of invention. Respondent Goodwin was joined as an assignee of the Daukus application. Respondents' answer denied that Goodwin was an assignee, but admitted that he was an exclusive licensee. The distinction is unimportant. Goodwin is the principal party in interest.

¹ The action began as a suit under Section 4915 R. S., U. S. C. Tit. 35, Sec. 63, following a notice of election by respondents under Sec. 4911 R. S., U. S. C. Tit. 35, Sec. 59a, when petitioners had given notice under Section 4912 R. S., U. S. C. Tit. 35, Section 60, of their appeal to the Court of Customs and Patent Appeals from a decision of the Board of Interference Examiners in an interference proceeding involving the application which resulted in the patent in suit and an application of petitioner Gamble awarding priority of invention to Daukus. After issue had been joined by the filing of defendant's answer, the patent in suit was granted. Thereupon respondents notified petitioner Borg-Warner Corporation of infringement under that patent and to discontinue the manufacture and sale of its Borglite plates claimed to infringe the patent. Petitioners then, with leave of court, filed their supplemental bill of complaint under the Declaratory Judgment Act, U. S. C. Tit. 28, Sec. 400, Judicial Code Sec. 274 (d), seeking an adjudication of the invalidity of the patent in suit, and that petitioners have not infringed its claims, a declaration of the rights and legal relations of the parties as to the controversy, preliminary and final injunctions restraining respondents from asserting the patent, and other relief. Respondents' answer to this was accompanied by a counterclaim charging petitioners with infringement, which petitioners denied.

The supplemental bill of complaint sought an adjudication of invalidity of the Daukus patent as to all its claims, non-infringement thereof by petitioners, a declaration of the rights and legal relations of the parties as to the controversy, and other relief. The charge of invalidity was grounded on a structure made prior to the year 1930 under Ahlene Patent No. 1,727,153 and another prior to 1932 under Reed Patent No. 1,889,698, the disclosures of the Reed and Ahlene patents themselves, laches of Daukus in applying for a patent more than seven years after his claimed public use and sale, as well as such public use and sale, want of invention over other specified prior art patents, and because Daukus surreptitiously obtained his patent for that which was in fact invented by others.

The subject matter in controversy is described in the decision of the Board of Interference Examiners (R. 13).²

² The Board, in awarding priority of invention to Daukus as to the ten counts in issue, described the subject matter in controversy as follows (R. 13):

"As shown in the application drawings of the parties, the clutch plate or disk of each applicant consists of three concentric elements; first, a central hub member designed to be carried on the driven shaft of the clutch; second, an intermediate disk-like annular member surrounding and mounted on the hub member; and third, an annular series of generally arcuate cushion members attached to but extending radially beyond the intermediate disk to support a pair of annular friction facings. The arcuate cushion members are provided with transverse waves which resiliently hold the facings apart. Thus the friction plate is made up of a hub and two concentric zones comprising the intermediate plate mounted on the hub and the working or friction zone forming the outer peripheral margin of the plate. A distinguishing feature of the new clutch plate is that the cushion members are of thinner material than is the

The interference record shows that Daukus attempted to establish a reduction to practice of his claimed invention in 1931. This, according to his own testimony, was first made according to the disclosure of his earlier Patent No. 1,777,399 and installed in 1931 in another's Cadillac car which was brought to him for repair. Upon proving to be unsatisfactory because the gears clashed and chattered, it was removed, modified chiefly by grinding down the cushion members to make them thinner and reinstalled a week later in the same car. After experimenting with it for three or four weeks, Daukus returned the car, without restriction, to the owner who thereafter expressed satisfaction with the clutch and subsequently disposed of the car after driving it for six or eight months.³ That clutch plate was not produced in evidence, but Daukus said that it was "just as good", "the same thing", as his Exhibit 2 which was produced and was the basis of the award of priority of invention to him by the Board of Interference Exam-

² (Continued):

intermediate member on which they are mounted; that is, the cushion members are of less weight per unit area than the disk-like intermediate member, thus reducing the spinning inertia of the clutch plate, and permitting quick shifting of the gears which is the ultimate object of the invention of the counts."

The clutch structure, which is arranged intermediately of the engine and the transmission gear mechanism of the automobile and transmits the full power of the engine which is ultimately communicated to the rear wheels, comprises a driving element and a driven element and must be operated as a preliminary to every shift of gears of the transmission mechanism (R. 53, qq. 8-11). In order to provide a smooth driving connection, there must be slippage between the driving and driven elements as engagement and disengagement occur. A friction type of clutch in which power is transmitted by friction between adjacent faces of the driving element and the driven element is therefore preferred.

³ Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 12, 14, qq. 42-55; pp. 68-74, xqq. 490-539, 545-547.

iners.⁴ While Daukus attempted to establish an earlier date for it, the Board held that a reduction to practice as shown in his Exhibit 2 was established in 1935 (R. 19). The only other structure claimed to embody Daukus's invention is Daukus Exhibit 5 which was made in 1937. In these structures the cushion members were approximately 0.06 inch thick or thicker.⁵ Except for the use of these structures while operating his car and his truck from day to day in the usual course of his business, nothing else of importance was done by Daukus in the development of his claimed invention. Nothing was done to improve or perfect it. It was not until after the Borglite plate had become generally known in the automotive industry that he was stirred into activity by respondent Goodwin, who seems to have moved about in the industry,⁶ and, after hunting out Daukus and investigating what he had done, engaged an attorney to whom he explained the supposed invention and financed the filing and prosecution of the Daukus application.⁷

Daukus's delay of seven years—from 1931 to Aug. 26, 1938—is explained, quite feebly, as due to lack of funds and that he was testing the durability of the structure.

The Borglite plate, which differs materially from the only Daukus structures ever made (Daukus Exhibits 2

⁴ Daukus Interference Record, Plaintiffs' Exhibit AAA1, p. 73, xq. 539; R. 19.

⁵ Daukus Interference Record, Plaintiffs' Exhibit AAA1, p. 69; Gamble Interference Record, Plaintiffs' Exhibit AAA2, p. 138.

⁶ Gamble Interference Record, Plaintiffs' Exhibit AAA2, pp. 34, 35 qq. 114-121; pp. 73-75, qq. 82-89.

⁷ Goodwin procured an exclusive license under the patent in suit, and obtained assignments of three earlier Daukus patents, including No. 1,777,399. Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 41-49, xqq. 295-358; pp. 64-65, xqq. 465-473.

and 5, and the Cadillac installation), was designed to overcome difficulties experienced in the use of previous clutch types which Borg-Warner had made in large quantities,—these are illustrated in the chart at the end of this brief,—and particularly a driven clutch element or plate known as the compound cushion type, and illustrated in color (at V) in that chart.⁸

It was Gamble's idea that spinning weight would be greatly reduced and a more desirable cushion obtained by reducing the diameter of the flat plate (blue) of that structure — this was the cushion plate, not the intermediate member — to something less than the inside diameter of the friction facing (yellow) and lengthening the clock spring steel cushion springs (white) to enable their being attached to this flat plate within the smaller diameter.⁹ The idea of having cushion members of such light weight material was viewed by Gamble's associates with apprehension, but experimental structures embodying the idea were made and tested and disclosed to representatives of leading manufacturers of automobiles during 1937 and early 1938 with the result that a clutch plate which was named the "Borglite" plate went into production.

A distinctive feature of this plate, which is illustrated (at VI) in the accompanying chart, resides in providing individual cushion members (blue) wholly of clockspring steel, the resilient qualities and strength of which are such as to provide accuracy and uniformity of clutch spring action and enable reducing the thickness of the cushion members from approximately 0.065 inch to 0.020 inch and correspondingly reducing their weight and hence their

⁸ Gamble Interference Record, Plaintiffs' Exhibit AAA2, pp. 181, 182, rdq. 366; R. 147, rdq. 12.

⁹ Same exhibit, p. 14, q. 10; p. 58, rxqq. 230, 232; p. 137, q. 196; R. 147, rdq. 12.

polar moment of inertia or spinning momentum.¹⁰ By way of contrast the thickness of Daukus's cushion members was three times as great and their polar moment of inertia correspondingly greater.¹¹ The cushion members (blue) of the Borglite plate were provided with inwardly extending reduced portions riveted at spaced intervals to the peripheral portion of an intermediate plate (red) of heavier material, which is mounted on a hub (brown). Gamble's application which was intended to cover this structure, and was assigned to Borg-Warner, was filed in the Patent Office more than fourteen months before Daukus's application was filed.¹²

The first sale and commercial delivery of the Borglite plate was made in May 1938. Extensive commercial production followed in the latter part of July, and except for war time interruption has continued increasingly ever since, and including additional forms of the same general design.¹³

In its decision the Board defined the single characteristic which distinguishes the claimed invention from the prior art considered by the Patent Office (R. 15). Expressly noting that the feature of separation of the cushion members, the intermediate member and the hub was disclosed in the prior Daukus patent, it limited the claimed invention to the feature that the cushion members were

¹⁰ Plaintiffs' Exhibit AAA2, Gamble Interference Record pp. 18, 19, qq. 33-36; R. 71, q. 138, p. 91, q. 259, R. 135, 136, xqq. 75, 80; R. 147 rdq. 12; Plaintiffs' Exhibit AAA26.

¹¹ See note 5, above.

¹² Gamble's application Ser. No. 147,936 was filed June 12, 1937, and assigned to Borg-Warner Corporation (R. 35). Daukus's application was filed August 26, 1938.

¹³ Plaintiffs' Exhibit AAA2, Gamble Interference Record pp. 18, 19, 20, qq. 33-40; pp. 32, q. 105; pp. 100-109, qq. 9-42.

thinner or of less weight per unit area than the intermediate member." While Daukus speaks of bending "L-shaped spokes" or cushion members "for cushioning"¹⁴ and the specification of the patent in suit states that the "circumferentially extending ~~swing~~ing portions 17b" of these parts "are each preferably formed with a single wave . . . , as shown in Fig. 3" (R. 410, 1st col., line 9), this was an old and well known expedient (R. 137, XQQ. 85-88).

The decisions of the District Court and the Court of Appeals are sufficiently stated in the Argument.

Specification of Errors.

The Circuit Court of Appeals erred:

1. In reversing the judgment of the District Court and remanding the case for an accounting and for further proceedings in accordance with the opinion of the Circuit Court of Appeals, and in failing to affirm the judgment of the District Court;

¹⁴ The Board said (R. 15):

"The interlocutory proceedings developed the two characteristics by which the counts essentially differ from the prior art. The first of these two features is that the hub, the intermediate member and the cushion elements are all separate and distinct members. The second co-existent feature is that the cushion elements are of less thickness or weight per unit area than the intermediate member.

"Perhaps the closest prior art is illustrated in Figure 4 of the Daukus patent, No. 1,777,399 which figure shows elements corresponding to those of the new friction plate, except that it does not explain whether the outer L-shaped cushion members 31 are thinner or thicker than the intermediate disc 30, or are of the same thickness. Because of this indefiniteness, the counts cannot properly be said to express only a difference in degree over what is shown in the patent."

¹⁵ Daukus Interference Record Plaintiffs' Exhibits AAA1, p. 13 and 46.

2. In adjudging Daukus Patent No. 2,324,913, and particularly claims 4, 6, 13, 14, 15, 17, 19, 20, and 23 thereof to be valid, and infringed by the manufacture and sale by petitioner Borg-Warner Corporation of the Borglite plate;

3. In setting aside Item 11 of the findings of fact of the District Court, and adjudging that the Daukus patent in suit is valid;

4. In adjudging that the Daukus patent in suit is not invalidated by any public use on the part of Daukus prior to the two year period before his application, and in failing to adjudge that the said patent is invalid because of public use of the subject matter thereof by Daukus and others more than two years before the filing of the application whence issued the patent in suit.

ARGUMENT.

The Court of Appeals in Reversing the Judgment of the District Court Acted Contrary to the Provisions of Rule 52(a) F.R.C.P. Inhibiting the Setting Aside of Findings of Fact of a District Court Unless Clearly Erroneous.

The jurisdiction of circuit courts of appeal is defined in U. S. C. Tit. 28, Sec. 225 (a) as "appellate jurisdiction to review by appeal . . .". The jurisdiction of the Court of Appeals for the District of Columbia is similarly defined.¹⁰

The Court of Appeals for the District of Columbia in *Schilling v. Schwitzer-Cummins Co.*, 142 F. (2d) 82, having under consideration an appeal from a judgment of the District Court in a proceeding under Sec. 4915 R. S. in which the appellants sought consideration of the evidence

¹⁰ D. C. Code (1940) Tit. 17; Sec. 11-208.

de novo, citing those jurisdictional provisions said (p. 83):

"It is not the function of an appellate court to assume the powers of the trial court; which it would do necessarily, if it tried, *de novo*, such a case as the present."

In *Webb v. Frisch*, 111 F. (2d) 887, the Court of Appeals for the Seventh Circuit, when asked to set aside a finding of fact of prior use said (p. 888):

"Our function is to review the finding of the lower court and not to pass upon the evidence *de novo*."

It should be noted that the District Court not only found "beyond a reasonable doubt" that the characteristic which the Board of Interference Examiners had determined as distinguishing the claimed invention from the prior art patents considered by the Patent Office, namely, the making of the cushion elements of steel and thinner than the intermediate member, "had been a common practice more than two years prior to the alleged invention", but that "the invention was not made by Daukus", and that "there was no invention disclosed in" the Daukus application.¹⁷

The opinion of the Court of Appeals sets aside the finding mentioned. It states that "this finding miscomprehends

¹⁷ The finding of the District Court on this point reads, in part (R. 37):

"11. Assuming that it could be said that the discovery that making the 'L-shaped' cushion members of lighter materials would reduce the spinning inertia of the plate constituted patentable invention, the invention was not made by Daukus. Clutch plates embodying this concept were in use and on sale prior to 1930. The evidence of this prior use was not before the Patent Office * * * the record in this case proves beyond a reasonable doubt that it had been a common practice more than two years prior to the alleged invention to make the cushion elements of steel and thinner than the intermediate member. There was no patentable invention disclosed in either the Daukus or Gamble applications."

the purpose and the gist of the claimed invention" and, in effect, that it is based on evidence of prior uses which are not pertinent. Thus the Court of Appeals overrules the determination of the Board which was the basis of the award of priority to Daukus and which defined the characteristic of the patent in suit which distinguished it from the prior art patents considered by the Patent Office, and particularly the prior patent to Daukus. It does this notwithstanding the District Court concurred in the determination of the Board; notwithstanding also, as petitioners insist, the evidence of prior uses which was not presented to or considered by the tribunals of the Patent Office, showed extensive commercial practice transcending a mere technical prior use and nullifying patentable novelty in the supposed distinguishing characteristic, and amply supports the finding in all its aspects; and further notwithstanding that the patentee's own testimony shows that there was no substantial difference in critical aspect between the prior art commercial structures proved and those upon which he relied to establish priority of invention in the interference proceedings.¹⁸

The opinion not only failed to give effect to but does not even mention the prior Daukus patent which the Board regarded as the closest prior art patent and as limiting the claimed invention to the single feature that the cushion members are thinner or of less weight per unit area than the intermediate member. This omission was not remedied by the consideration accorded that patent in the memorandum denying a petition for rehearing in which it was called to the court's attention. Both opinion and memorandum, petitioners contend, indicate a misapprehension of the evidence, particularly in respect to what was old in the art and the nonessential character of the distinction be-

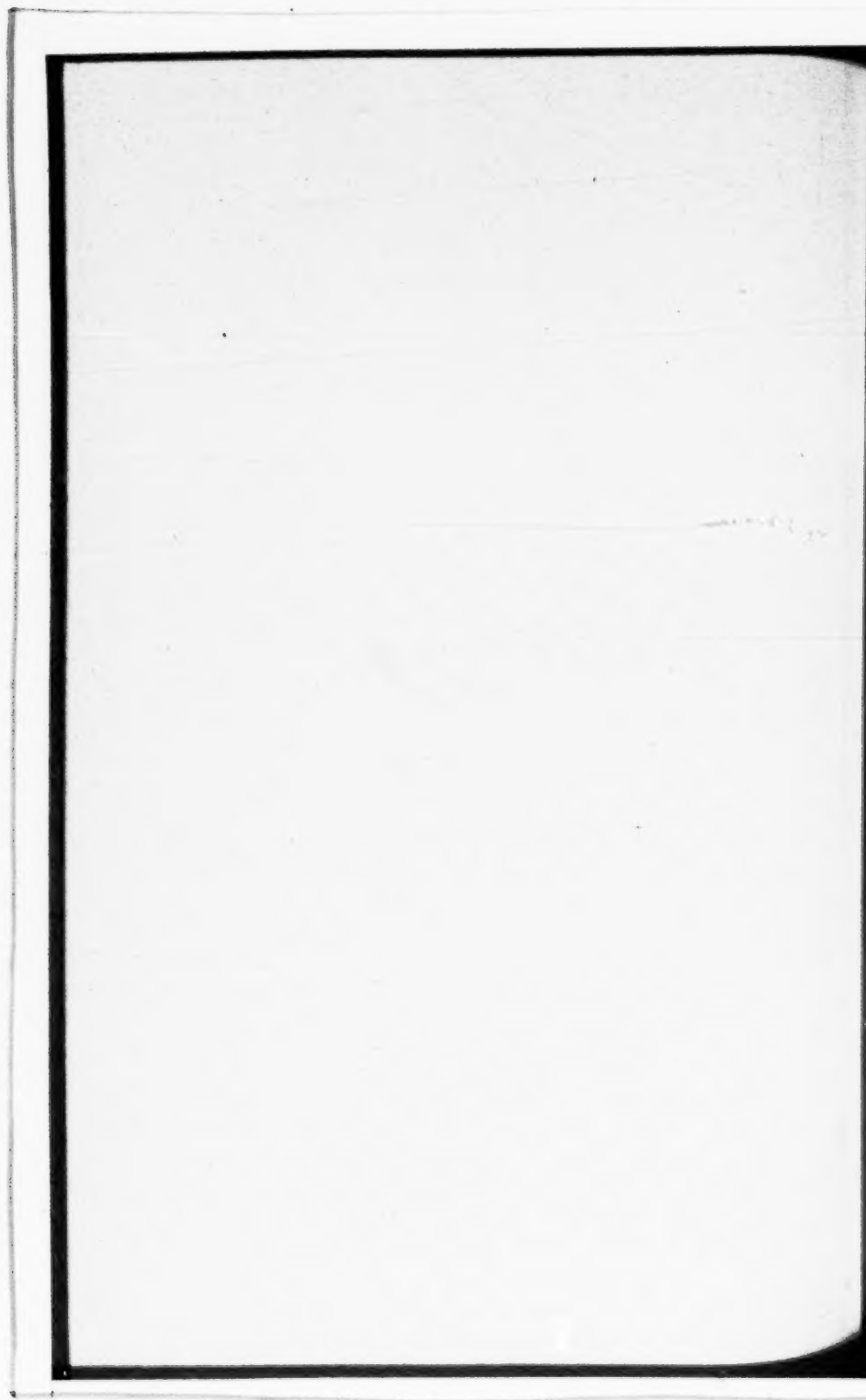
¹⁸ Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 24, 25, QQ 156, 157, 161, 162; p. 80, RXQ 605.

tween segmented cushion members which are integral parts of a unitary structure and similar members which are riveted to a common supporting member or intermediate plate, and a misapprehension of the limited character of what Daukus did as a basis for his claimed invention.

As the question of invention is a question of fact, as is the question of prior use, the jurisdiction of the Court of Appeals was limited to a determination merely of whether or not the District Court's finding was clearly erroneous; in other words, whether or not there was substantial evidence of record to support it.¹⁹

The testimony of the witnesses Nutt, Krueger, Dunning and Janes (R. 52-147) abundantly shows the manufacture of structures under the Ahlene and Reed patents during the year 1928 and subsequent years including cushion members of substantially less thickness than the intermediate members, as illustrated at III and IV in the chart at the end of this brief. The structures are admittedly (R. 79) shown in numerous exhibits including plaintiffs Exhibits AAA37, -38, -21, -23, -25. They were manufactured in large quantities. Indeed, the evidence transcends the mere establishment of prior uses and shows, as the District Court found, "a common practice". Plaintiffs' Exhibits AAA53-54, which are the original Borg-Warner sales records, show sales between June 1931 and Feb. 1933 running into millions. In this connection, it is to be remembered that Daukus established a date of invention by reduction to practice of defendants' Exhibit 2 in 1935. His admitted prior use of a similar structure in 1931 was not deemed to have been established by adequate proof.

¹⁹ Thomson Spot Welder Co. v. Ford Motor Co., 265 U. S. 445, 447; Sturtevant Co. v. Massachusetts Hair & Felt Co., (CCA1) 122 F (2) 900, 906; Webb v. Frisch (CCA7) Ill. F(2), 887, 888; Rule 52(a) F.R.C.P.



The statement of the Court of Appeals (R. 448) "that substantially the same construction covered by Ahlene and Reed, 1,889,698, was before the Patent Office, and was thoroughly considered at the time priority was awarded to Daukus ignores the fact that the cushion members of the commercial products made under those patents were substantially thinner than the intermediate member, a feature not described in those patents.

Petitioners submit that the prior Daukus patent coupled with the evidence of commercial practice under Ahlene Patent No. 1, 727,153 and Reed Patent No. 1,889,698 and the testimony of the patentee Daukus himself, not to mention other prior patents, afford ample basis for the finding of the District Court.

The Court of Appeals, in Sustaining the Validity of the Patent in Suit, Departed from the Principle Enunciated in Lincoln Engineering Co. v. Stewart Warner Corp., 303 U. S. 545, 549.

Stating that the finding of the District Court on the subject of invention "miscomprehends the purpose and the gist of the claimed invention," though admitting that the principal of lightening the peripheral weight of the clutch plate in order to reduce spinning momentum had been understood in the art since 1883, the court undertook to avoid the effect of that admission and the definitive decision of the Board of Interference Examiners by attributing to Daukus a new structural combination. The court said (R. 445, 446):

"While Daukus disclosed cushion elements thinner than the intermediate member or disc, this was only one element of the combination. He also substantially reduced the diameter of the intermediate member, making the cushion members project beyond it, thus lightening the weight at the peripheral region

of the mounting disc and reducing spinning inertia. This element, specifically described in the claims in issue, is new and was repeatedly emphasized by appellees' attorneys at the interference proceedings as constituting an important feature of the invention. . . . For the first time he secured the desired result of eliminating both spinning inertia and chatter by reducing the diameter of the mounting disc, employing thin cushions, and uniting desirable cushion characteristics in a new structural combination."

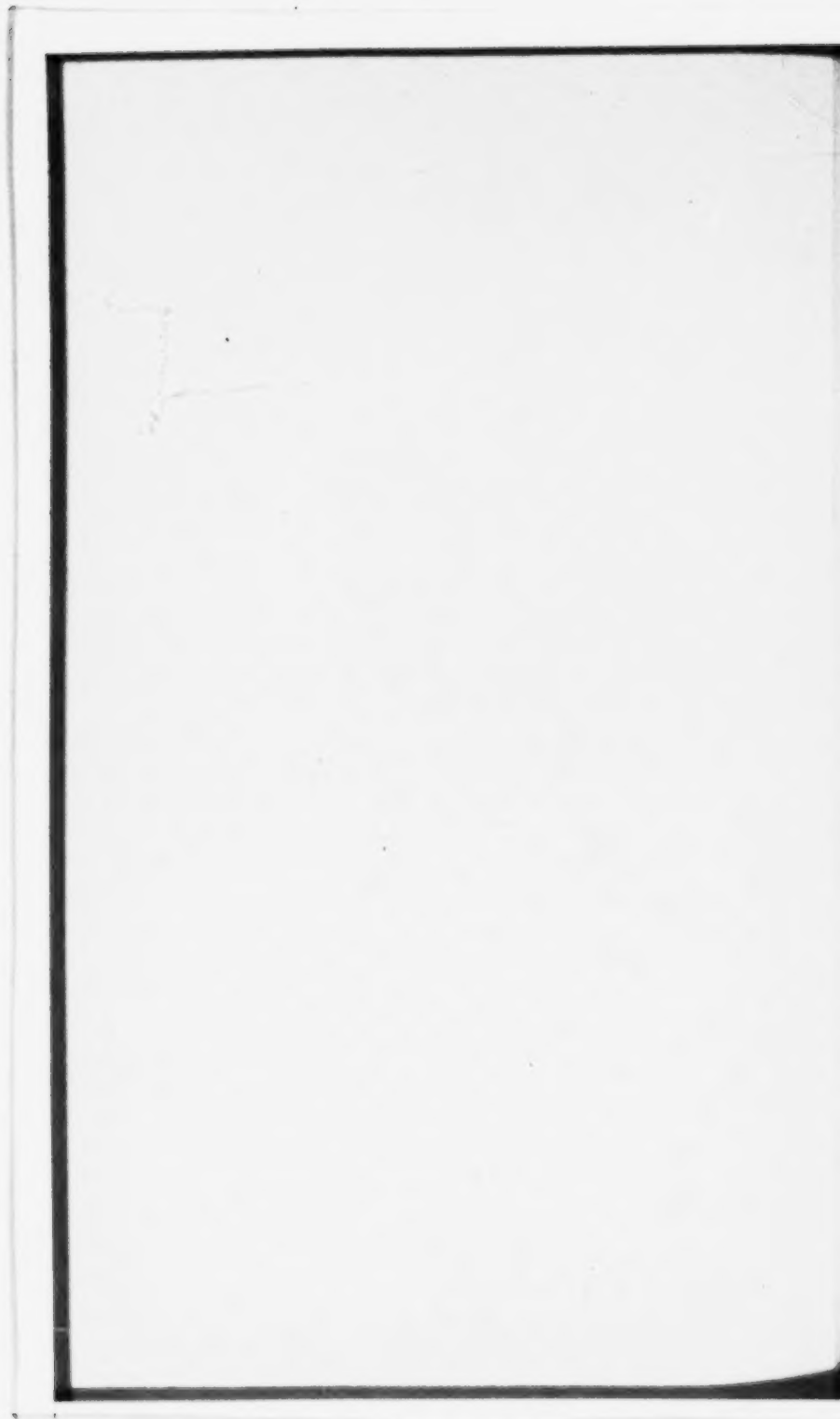
Not only were the cushion elements thinner than the intermediate member or disk in the commercial structures made under the Ahlene and Reed patents, but the diameter of the intermediate member in those structures was relatively less than in the Daukus structures. The latter feature, moreover, was plainly shown in the prior Daukus patent as evidenced by the drawing of that patent reproduced in the chart opposite.²³ Thus the statement by the Court of Appeals that this element is new is without support and, indeed, clearly refuted by the evidence of record and, as noted (p. 17) contrary to the decision of the Board. Indeed, neither Daukus nor his counsel have ever ventured to claim that that element was new. If statements of appellees' attorneys at the interference proceedings indicate the contrary, which petitioners contend they do not, it must be borne in mind that they were made with particular reference to the distinctive features of the Borglite plate, which are not found in the Daukus structures, namely, the employment of clock spring steel cushion members secured to an intermediate mounting member and without the backing of the integral plate employed in the compound cushion plate. The so-called "desirable cushion characteristics" attributed by the Court of Appeals to Daukus consisted merely of waving the cushion members circumferentially — an old and well-known expedient, as we have noted.

It is to be borne in mind that the Borg-Warner developments, which occurred largely at the plant of the subsidiary Borg and Beck in Chicago, were independent and without knowledge of the Daukus developments, which occurred in the vicinity of Detroit, Michigan.

Dates	Borg-Warner Developments	Daukus Developments
1927	Gamble Patent No. 1,652,006 issued on integral cushion plate.	
1928	Integral cushion plate, plaintiffs' Exhibit WW2, commercially produced.	
1929	Ahlene patent 1,727,153 issued on integral cushion plate with spring vibration dampeners and intermediate member.	
1930	Ahlene patent structure with cushion members thinner than intermediate member commercially produced.	Prior art Daukus patent 1,777,399 issued; no commercial use.
1931	Commercial production of integral cushion plate as described in Reed Patent No. 1,889,698 with cushion members thinner than intermediate member.	Installation in Cadillac car of plate shown in above Daukus patent; removal, modification to "same thing" as later Daukus Exhibit 2, reinstallation and return of car and use thereof by owner (admitted by Daukus but not corroborated).
1932	Reed patent 1,889,698 issued.	Continued use of Daukus plate in Cadillac car by its owner until he disposed of it.

CHART

Dates	Borg-Warner Developments	Daukus Developments
1935	Compound cushion plate commercially produced.	Reduction to practice of Daukus Exhibit 2 in Dodge car, as found by Board of Interference Examiners—continued for several years.
1937 March	Gamble conceived Borglite plate.	
May		Reduction to practice of Daukus Exhibit 5—used in truck for several years.
12 June	Gamble application filed	
Nov.	Borglite plate disclosed to Buick.	
1938 Jan.	Borglite plate disclosed to Oldsmobile.	
Feb.	Borglite plate disclosed to Chevrolet.	Goodwin approached Daukus.
April	Gamble British patent issued.	
May	First commercial production of Borglite plates, continued in increasing quantities thereafter; 221 Borglite plates shipped to Chevrolet; Gamble British Patent received by U. S. Patent Office.	
June	200 Borglite plates distributed to dealers and others for test; 2 Borglite plates shipped to Buick.	
July	1,410 Borglite plates shipped to Buick.	
Aug.	10,427 Borglite plates shipped to Buick.	
20 Aug.		Daukus executed his application.
26 Aug.		Daukus filed his application.



The further statement in the opinion of the Court of Appeals (R. 446) that "Daukus conceived of the possibility of forming his cushion spring members in a series of individually formed and attached parts, with the neck portions reduced in such manner as to allow complete flexibility in action" commingles the disclosure of his prior patent and the characteristics of the Borglite plate and attributes the result to Daukus, thus giving effect to the patent in suit as if it embraced the independent developments of others and stood in the place of the prior Daukus patent, contrary to the pronouncements of this court in *Atlantic Works v. Brady*, 107 U. S. 192, 27 L. Ed. 438, 441; *Railway Company v. Sayles*, 97 U. S. 554, 563.

Plainly there is no proper basis for the conclusion by the Court of Appeals that Daukus invented a new structural combination. All that he did is reflected in his Exhibits 2 and 5, which must be the measure of his claimed invention in view of the development and commercial production of the Borglite plate intervening the reduction to practice of those exhibits and the long delayed filing of the Daukus application, and is defined in the decision of the Board of Interference Examiners. As there defined the claimed invention consists merely in making "the cushion elements" "of less thickness or weight per unit area than the intermediate member." This means nothing more nor less than that it involved simply a modification of but one element or part of an old combination.

In sustaining the patentability of the claimed invention as a new structural combination the opinion runs counter to the patentee's own testimony²⁰ that the reduction to practice upon which priority of invention was awarded to him involved merely a modification of a single element of his prior patent.

²⁰ Daukus Interference Record, Plaintiffs' Exhibit AAA1, p. 13, Q. 46; p. 73, XQ. 539.

The case is on all fours with that of *Lincoln Engineering Company v. Stewart Warner Corp.*, 303 U. S. 545, where the Court said (p. 549):

“ . . . the improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in the combination.”

The Court of Appeals, in Arriving at its Conclusion that Daukus had invented a Patentably Novel Structural Combination, improperly considered “the rapid and widespread acceptance” of the Borglite plate and the Issuance of the Patent in suit Following an Interference Contest as Evidence of Invention and Strengthening the Presumption of Validity.

The sophistry in the reasoning of the Court of Appeals lies in imputing to Daukus the distinctive characteristics of the Borglite plate and its commercial success on the basis of an award of priority of invention made without consideration of commercial developments which were not reflected in the prior art patents considered by the Patent Office and which the Board of Interference Examiners was precluded from considering by the technical limitations of Patent Office procedure, and ignoring the circumstances and sequence of events preceding the preparation and filing of the Daukus application.

The Court also overlooked a consideration which it thought important in one of its own decisions cited in its opinion on another point,²¹ namely that the patent in suit is a paper patent and should be strictly construed.

The Opinion of the Court of Appeals runs Counter to the Doctrine of Paramount Publix Corp. v. American Tri-Ergon Corp., 294 U. S. 464.

Disregarding the sporadic character of the activities of the patentee, his long delay in filing his application, the se-

²¹ *Modern Products Supply Co. v. Drachenberg*, 152 F (2) 203, 206.

quence of intervening developments including the advent of the Borglite plate independently and without knowledge of anything that Daukus did, the earlier filing of the Gamble application, the lack of any commercial use of anything that Daukus did, and his admitted failure to do anything to improve his claimed invention during the long delay in filing his own application, the Court of Appeals largely predicates patentable novelty to Daukus on statements of counsel for Gamble made in the prosecution of his application. Indeed, the opinion reads more like a brief than an opinion. As this Court said in the case cited (p. 476):

"However inconsistent this early attempt to procure a patent may be with petitioner's present contention of its invalidity for want of invention, this Court has long recognized that such inconsistency affords no basis for an estoppel, nor precludes the court from relieving the alleged infringer and the public from the asserted monopoly when there is no invention."

The Judgment of the Court of Appeals, to the extent that it Adjudicates the Issue of Infringement and the Issue of Prior Public Use by the Patentee, involves an Application of the Statute defining its Jurisdiction and Rule 52(a) F.R.C.P. at Variance with Numerous Decisions of this Court and other Circuit Courts of Appeal.

While the Court of Appeals in the instant case apparently did not feel called upon to cite authority for its determination of the issue of infringement and the issue of prior ~~art~~^{use} by the patentee, notwithstanding the District Court made no finding thereon, it may have had in mind a statement of this Court in *Keller v. Potomac Company*, 261 U. S. 428, where this Court said (p. 444):

"In that procedure [equity], an appeal brings up the whole record and the appellate court is authorized to review the evidence and make such order or decree

as the court of first instance ought to have made, giving proper weight to the findings on disputed issues of fact which should be accorded to a tribunal which heard the witnesses."

But it is not believed that the expression "the appellate court is authorized to review the evidence and make such order or decree as a court of first instance should have made" was intended to authorize such a determination. On the contrary, it is thought that the expression was not intended to have any implication beyond the limits of the findings of the trial court. It appears to have been the practice of this Court under Rule 52 (a) as well as under Rule 70½ of the former Equity Rules, when the findings of fact of a District Court have been inadequate, to remand the case for further proceedings including requisite findings of fact. *Mayo v. Lakeland Highlands Canning Co.*, 309 U. S. 310; *Interstate Circuit v. U. S.*, 304 U. S. 55, 57; *Marconi v. Simon*, 246 U. S. 46, 57. The Circuit Courts of Appeal generally have done likewise. *Kelly v. Central Co.*, (C. C. A. 2) 85 F. (2d) 61, 63; *Edwards v. Holland Co.*, (C. C. A. 8) 75 F. (2d) 713, 715; *Parker v. St. Sure*, (C. C. A. 9) 53 F. (2d) 706, 709. Compare *Matton Oil Transfer Corp. v. The Dynamic*, (C. C. A. 2) 123 F. (2d) 999, 1000; *Smith v. Lykes Bros.-Ripley S. S. Co.*, (C. C. A. 5) 105 F. (2d) 604, cer. den. 308 U. S. 604; *The Plow City*, (C. C. A. 3) 122 F. (2d) 816, 819; applying a corresponding provision of the Admiralty Rules.

The question of infringement of a patent for an invention is a question of fact. *U. S. v. Esnault-Pelterie*, 303 U. S. 26, 29; *Stilz v. U. S.*, 269 U. S. 144, 147. *B. F. Sturtevant Co. v. Massachusetts Hair & Felt Co.*, (C. C. A. 1) 122 F. (2d) 900. So is the question of prior use by the patentee. A party litigant is entitled to the benefit of the application of the provisions of Rule 52 (a) F. R. C.

P. to the determination of such a question. District Courts not uncommonly pass the determination of such a question when adjudging a patent to be invalid. *Baker v. Dean*, (C. C. A. 9) 80 F. (2d) 658. *Ware v. Pratt & Whitney Aircraft Co.*, (C. C. A. 2) 103 F. (2d) 364; *Evr-Klean Seat Pad Co. v. Firestone Tire & Rubber Co.*, (C. C. A. 8) 118 F. (2d) 600. As the court said in the last cited case (p. 603):

"In a patent infringement suit, where invalidity of the patent and non-infringement are both set up as defenses, and the trial court dismisses the bill of complaint on the ground that the patent is invalid, without presuming to pass upon the issue of infringement, and neither party makes a request for a finding on that question, the decree must be regarded as being wholly without implication on the issue."

The Court of Appeals arrived at its determination that the Borglite plate infringes one or more of the asserted claims of the patent in suit by a confusingly tortuous path of reasoning. First, admitting that the District Court made no finding on the question of infringement, it asserted, notwithstanding the plain denial of the pleadings (R. 32), that "Appellees do not seriously deny infringement . . .". This assertion is supplemented by a distortion of something stated by appellees' counsel at the interference proceedings regarding the commercial success of the Borglite plate. The court then proceeds to quote a statement in appellee's brief in the Court of Appeals to the purported effect "that the Daukus patent is 'in its only novel aspects' identical with the Borglite plate". The inference, it is submitted, is unwarranted. What was said in appellees' brief, was directed to the unlawful enlargement of the description contained in the patent in suit beyond what Daukus did, as evidenced by his Exhibit 2 and directed to the capture by Daukus and Goodwin of the

Borglite plate. The statement in full, which appeared on page 16 of appellees' brief reads as follows:

"The Daukus patent in suit, No. 2,324,913, Exhibit AAA14, (Folder No. 1) is in its only novel aspects a direct copy of the prior 'Borglite' plate, so that there can be nothing in the Daukus patent in suit which might have a claim to novelty, as all of those features were developed by Gamble and sold before the filing date of the Daukus patent in suit."

Obviously there is no waiver or modification of the issue of infringement implicit in that statement warranting a circumvention of a determination of that issue by the District Court and the application of Rule 52 (a) thereto.

The statement of the Court of Appeals that "The Daukus plate used experimentally by the inventor, in its substantial features is the same as the Borglite plate", ignores substantial differences which have been noted and are apparent upon inspection of the two plates. It also disregards the fact that the Borglite plate is an outstanding commercial success, while the Daukus plate has never been produced commercially.

The Court of Appeals, moreover, failed to apply any of the nine claims asserted to the Borglite plate. The enlargement of the claims of the patent in suit for the purpose of embracing the Borglite plate is illustrated by the presence in claims 14 and 15, which are included among the asserted claims, of the expression "sheet metal" as definitive of the cushions or cushion members. This expression is clearly descriptive of the cushioning material urged in the Borglite plate, but is not descriptive of the material used in the only structures made by Daukus, namely, his Exhibits 2 and 5, for Daukus admitted on cross-examination that he had never made a clutch plate of sheet metal.²²

Petitioners submit that the action of the Court of Appeals in determining the issue of infringement was un-

²² Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 77, 78, xqq. 575-584.

warranted, improper, and incompatible with the decisions cited and should be reviewed by this Court; likewise, in the case of the issue of prior public use by the patentee, which also is an issue of fact. *Thomson Spot Welder Co. v. Ford Motor Co.*, 265 U. S. 445, 447; *Sturtevant Co. v. Massachusetts Hair & Felt Co.*, *supra*; *Webb v. Frisch*, *supra*.

The Court of Appeals in Determining that the Patent in suit is not Invalidated by any Public Use on the part of the Patentee Prior to the Two Year Period before his Application not only Exceeded its Authority but Departed from Applicable Principles Established by Numerous Decisions of this Court.

Not only are the conclusions of fact stated in the opinion of the Court of Appeals without basis in the evidence, but the evidence precisely fits the requirements of proof of prior public use stated in *Egbert v. Lippmann*, 104 U. S. 333, where the Court said (336):

“If an inventor, having made his device, gives or sells it to another, to be used by the donee or vendee without limitation or restriction, or injunction of secrecy, and it is so used, such use is public, within the meaning of the statute, even though the use and knowledge of the use, may be confined to one person”.

This language was quoted in *Root v. Third Avenue R. Co.*, 146 U. S. 210, 212, where the Court sustained a defense of prior public use by the patentee.

The patentee Daukus, testifying in the interference proceedings in the Patent Office, in an attempt to establish a reduction to practice of his claimed invention, which failed of its purpose because his testimony was not corroborated, said that he had installed in another's Cadillac car in 1931, a clutch plate which had been made according to the disclosure of his earlier patent, but found it to be unsatisfactory because the gears clashed and chattered; that it

was then removed, modified chiefly by grinding down the cushion members to make them thinner and reinstalled a week later in the same Cadillac car; that after experimenting with it for three or four weeks, the car was returned to the owner, who thereafter expressed satisfaction with the clutch and subsequently disposed of the car after driving it for six or eight months. This plate, which was not produced, Daukus said was identical with—"just as good", "the same thing"—as his Exhibit 2, upon which he also relied and which was the basis of the award of priority of invention to him by the Board of Interference Examiners (Daukus Interference Record, Plaintiff's Exhibit AAA1, pp. 12,14, qq. 42-55; pp. 68-74, xqq. 490-539, 545-547). This testimony must stand, beyond question, as an admission against interest notwithstanding its failure to establish a reduction to practice for want of corroboration.

No restriction upon the use of the car or any injunction of secrecy upon its owner as to the clutch structure is in any way indicated in the testimony of the patentee. As the Court said in *Root v. Third Avenue R Co.*, 146 U. S. 210, 225:

"He did nothing and said nothing which indicated that he was completing the invention under his own control."

The use of the Cadillac car by its owner with the Daukus clutch installed in it appears to have been the normal use of an automobile in every day life. Such use plainly conforms to the quoted language of the Court in *Egbert v. Lippmann*. To say that the use and subsequent disposal of the Cadillac car were without the consent of the patentee, as does the Court of Appeals, runs counter to reality, for consent was implicit in the return of the car to the owner when the repair job was completed.

To the extent that the determination of the Court of Appeals is sustained by the decisions in the cases cited in its opinion—and they do not appear to support it—there is a conflict with the pronouncement of this Court in *Egbert v. Lippmann*, which should be clarified.

It is submitted that *Elizabeth v. Pavment Company*, 97 U. S. 126 does not support the position taken by the Court of Appeals. There, the use was under the control of the inventor throughout its duration and was entirely experimental. Here, if the use were experimental during the period of three or four weeks while the Cadillac car was in the custody of the patentee, it ceased to be so when the car was returned, without restriction, to its owner and he resumed use of it in the normal way and subsequently traded it for another car (Daukus Interference Record, Plaintiffs' Exhibit AAA1, pp. 13, 14 qq. 43-52, p. 68, xqq. 490, 491), for it then passed out of Daukus control and into the public domain.

Whatever statements in *Smith & Griggs Mfg. Co. v. Sprague* may seem to support the position of the Court of Appeals are but *obiter dicta*, for the Court sustained the defense of prior public use as it was of the opinion (p. 266) that the proof fell "far short of establishing that the main purpose in view, the use of the machine by the patentee, prior to his application, was to perfect its operation." And so in the instant case, the use by the owner of the Cadillac car had nothing to do with any improvement or perfection of the clutch plate. Indeed, there is nothing to indicate that what Daukus did was anything more than an ordinary repair job or that he had at the time any intention of applying for a patent on it. The same may be said of *Jenner v. Bowen* (CCA6) 139 Fed. 556. Indeed, in that case the Court relied upon the very language of *Egbert v. Lippmann* which we have quoted. In *Austin Machinery Co. v. Buckeye*

Co. (CCA6) 13 F(2) 697, the use was clearly experimental and under the control of the inventor. In *Reo Motor Car Co. v. Gear Co.* (CCA6) 42 F(2) 965, there was no showing of a use of the completed invention. Here the clutch plate installed in the Cadillac car admittedly was "perfect", "the same thing" as Daukus Exhibit 2.²³

The Writ should Issue According to the Precedent Established in *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47, 50; 304 U. S. 587.

The probable invalidity of the patent in suit is clearly indicated.

The concentration of the automotive industry in the Sixth Circuit, which was recognized in the case cited still continues, as shown in the following summary of data published on March 15, 1945, in "Automotive and Aviation Industries", a recognized trade paper, showing new passenger car registrations for the twelve year period including the year 1931 and the first three months of the year 1942.

Manufacturers Within The Sixth Circuit		Manufacturers Beyond The Sixth Circuit	
General Motors	12,061,184	Nash	462,810
Chrysler	6,454,053	Studebaker	691,199
Ford	6,347,002	Austin	10,538
Continental	4,263	Miscellaneous	113,475
Graham	111,669		
Hudson	722,458		1,278,022
Hupmobile	53,163		
Packard	502,044		
Reo	25,149		
Willys	245,667		
<hr/> Total			
	26,526,652		

²³ Daukus Interference Record, Plaintiff's Exhibit AAA1 pp. 73, 74, XQ 538, 539, 545.

This publication is called to the attention of the Court in accordance with precedent.²⁴

The importance of a final determination of the question of validity of the patent in suit is shown by the sales of the accused Borglite plate which are made to practically all of the larger manufacturers of automobiles and run into millions (R. 89) qq. 246-248; R. 73, 74, qq. 159-161).

It requires little exercise of the imagination to perceive that in the circumstances presented the owners of the patent will not venture or have to venture beyond the Sixth Circuit to enforce its claims against practically all infringers, actual or potential. In view of their residence in the Sixth Circuit, no test of the validity of the patent could be made by suit under the Declaratory Judgment Act, except in that circuit. There is, therefore, no real likelihood that any occasion will arise which would present a conflict of decisions of different circuits courts of appeal affording a ground for the exercise of the jurisdiction of this Court. Unless the petition now presented be granted, an unconscionable domination of a large part of the automotive industry by a patent of extremely doubtful validity will stand established.

For the reasons stated the grant of the petition is requested.

Respectfully submitted,

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²⁴ Cases include *Brinkerhoff-Faris Co. v. Hill*, 280 U. S. 550, 281 U. S. 673; *Olmstead v. United States*, 276 U. S. 609, 277 U. S. 438; *St. Louis Union Trust Co. v. Mellon*, 231 U. S. 648, 241 U. S. 657, 242 U. S. 666; *Helvering v. Northern Coal Co.*, 290 U. S. 59; *Sanitary Co. v. Winters*, 278 U. S. 587, 280 U. S. 30, 34; *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464. See also "Automotive Industry" Feb. 26, 1938; "Automotive Daily News", Detroit, Mich., March 2, 1938, Vol. 13, No. 2489.